

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/9/09 H3/16/09

A Bill

HOUSE BILL 1851

5 By: Representatives Webb, L. Smith, Cash, Carroll
6
7

For An Act To Be Entitled

9 AN ACT TO REQUIRE AN ELECTRIC PUBLIC UTILITY TO
10 PURCHASE ELECTRICITY PRODUCED BY A RENEWABLE
11 ENERGY PRODUCER IN THIS STATE; TO PROVIDE FOR THE
12 RECOVERY OF THE ELECTRIC PUBLIC UTILITY'S COSTS;
13 AND FOR OTHER PURPOSES.
14

Subtitle

15 THE ARKANSAS RENEWABLE ENERGY FEED-IN
16 ACT OF 2009.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code Title 23, Chapter 18, is amended to add an
23 additional subchapter to read as follows:

24 23-18-901. Title.

25 This subchapter shall be known and may be cited as the "Arkansas
26 Renewable Energy Feed-In Act of 2009".
27

28 23-18-902. Legislative findings and declaration of purpose.

29 (a) The General Assembly finds that it is in the public interest to:

30 (1) Promote and encourage the wise development and use of this
31 state's renewable energy resources;

32 (2) Foster investment in emerging renewable energy technologies
33 using the renewable energy resources found within this state; and

34 (3) Require electric utilities to include Arkansas renewable
35 energy resources as an integral part of their energy portfolios.

36 (b) The purpose of this subchapter is to ensure that an electric



1 utility will include Arkansas renewable energy resources as an integral part
2 of its energy resource plan.

3
4 23-18-903. Definitions.

5 As used in this subchapter:

6 (1) "Commission" means the Arkansas Public Service Commission or the
7 appropriate regulatory governing body for an electric utility that is not
8 regulated by the commission;

9 (2) "Electric utility" means a publicly owned or an investor-owned
10 utility, an electric cooperative, or a municipal utility that is engaged in
11 the business of supplying electricity to an end user in this state;

12 (3) "Feed-in tariff" means a commission approved tariff that governs
13 the purchase of energy from a renewable electric generation facility by an
14 electric utility;

15 (4) "Renewable electric generation facility" means a facility for the
16 generation of electric energy that:

17 (A) Is located within this state;

18 (B) Is fueled by a renewable energy resource; and

19 (C) Has an effective capacity of not more than five megawatts
20 (5MW); and

21 (5) "Renewable energy resource" means a solar, wind, water,
22 geothermal, or biomass resource located within this state.

23
24 23-18-904. Requirement to purchase renewable energy.

25 (a) An electric utility shall file with the commission a feed-in
26 tariff that:

27 (1) Requires the electric utility to purchase the renewable
28 energy produced by a renewable electric generation facility at the price
29 established by the commission for a period not to exceed twenty (20) years;
30 and

31 (2) Contains those terms and conditions that are necessary to:

32 (A) Encourage the development and use of renewable energy
33 resources to generate electricity;

34 (B) Protect the integrity and reliability of the electric
35 utility's electric system; and

36 (C) Protect the health, safety and welfare of the public.

1 (b) The commission shall approve the tariff:

2 (1) After notice and hearing; and

3 (2) If it finds the tariff is in the public interest.

4 (c)(1)(A) After the tariff is approved by the commission, an electric
5 utility shall offer to purchase under the feed-in tariff at least two percent
6 (2%) of its annual electricity supply from a renewable electric generation
7 facility.

8 (B) However, unless the commission for good cause modifies
9 the requirement for an electric utility under this subdivision, the electric
10 utility shall offer to purchase under the feed-in tariff at least twenty
11 percent (20%) of its electricity supply requirement under subdivision
12 (c)(1)(A) of this section from a residential or commercial renewable electric
13 generation facility.

14 (2) For an electric utility that demonstrates that compliance
15 with the requirement under subdivision (c)(1) of this section will cause its
16 energy costs to increase more than three percent (3%) than those energy costs
17 would have been otherwise, the commission shall reduce the requirement under
18 subdivision (c)(1) of this section.

19 (d) The electric utility shall retain any renewable energy credit that
20 derives from a feed-in tariff.

21
22 23-18-905 Cost of necessary interconnection facilities.

23 The cost of an addition or a modification of an electric utility's grid
24 that is made at or beyond the point where the renewable energy producer
25 interconnects with the electric utility's grid for the sole purpose of
26 receiving electricity from a renewable electric generation facility is the
27 exclusive responsibility of the renewable electric generation facility unless
28 the commission requires the electric utility to bear that cost or a portion
29 of that cost under § 23-18-906.

30
31 23-18-906. Cost recovery by the electric utility.

32 The commission shall permit an electric utility to:

33 (1) Recover the cost of electric energy purchased under a feed-
34 in tariff; and

35 (2) Recover and earn a return on the reasonable and prudent
36 investment cost incurred by the electric utility for the construction of an

1 electric system upgrade that is reasonably necessary to receive the electric
2 energy purchased under the feed-in tariff.

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/s/ Webb